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CHINA GREEN (HOLDINGS) LIMITED

中國綠色食品(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 904)

PROPOSED ISSUE OF 2.125% GUARANTEED CONVERTIBLE BONDS DUE 2011 CONVERTIBLE INTO ORDINARY SHARES OF CHINA GREEN (HOLDINGS) LIMITED

The Board hereby announces that on 25 January 2006 the Company entered into the Purchase Agreement with Goldman Sachs, whereby Goldman Sachs agreed to subscribe and pay for the Hong Kong dollars denominated Bonds to be issued at par by the Company in an aggregate principal amount of HK\$325,000,000, which are unconditionally and irrevocably guaranteed by the Guarantor Subsidiaries. The initial conversion price is HK\$2.6550. Assuming full conversion of the Bonds at the initial conversion price of HK\$2.6550, the Bonds will be convertible into 122,410,546 Shares (subject to adjustment), representing approximately 17% of the issued share capital of the Company as at the date of their announcement and approximately 14% of the enlarged issued share capital of the Company.

The estimated net proceeds of the Bond Issue, after deduction of an initial purchase concession payable by the Company to Goldman Sachs in the sum of HK\$12,187,500 and other administrative expenses (amounting to approximately HK\$13 million in aggregate), are approximately HK\$312 million. The net proceeds are currently intended to be used primarily for financing the expansion of the Group's production capacity in the PRC.

Completion of the Purchase Agreement, which is expected to take place on 26 January 2006, is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Purchase Agreement may be terminated under certain circumstances. Please refer to the paragraph headed "PURCHASE AGREEMENT" below for further information.

As the Purchase Agreement may or may not complete, and therefore the Bonds may or may not be issued and/or the Conversion Shares may or may not be listed on the Stock Exchange, Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

The Conversion Shares will be issued and allotted by the Company pursuant to the general mandate granted to the Directors at the annual general meeting held on 5 October 2005. To date, there has been no issue of shares under the general mandate granted.

The Company will apply to the Stock Exchange for the listing of, and permission of deal in the Conversion Shares.

THE PURCHASE AGREEMENT DATED 25 JANUARY 2006

Date: 25 January 2006

Parties: The Company
Goldman Sachs

Subject to the fulfilment of the conditions set out below under the section headed "Conditions Precedent of the Purchase Agreement", Goldman Sachs has agreed to subscribe and pay for the Bonds at the aggregate consideration of HK\$312,812,500 (being the principal amount of the Bonds at an issue price of 100% less an initial purchase concession in the sum of HK\$12,187,500) the Bonds are unconditionally and irrevocably guaranteed by the Guarantor Subsidiaries, each a wholly-owned subsidiary of the Company.

None of the Bonds will be offered to the public in Hong Kong nor will they be placed to any connected persons (as defined in the Listing Rules) of the Company.

Goldman Sachs is an independent party and is not a connected person (as defined in the Listing Rules) of the Company. Goldman Sachs will become a substantial shareholder of the Company if the conversion rights attaching to the Bonds were to be exercised in full as of the date of this Announcement.

The Bonds shall be guaranteed by the Guarantor Subsidiaries under the Guarantee. The Guarantee Subsidiaries' obligations under the Guarantee will, subject to the terms of the Guarantee, remain in full force and effect until no sum remains payable under or in respect of the Bonds.

As one of the conditions precedent of the Purchase Agreement (see below), the Company and HSBC shall enter into the Fiscal Agency Agreement by which HSBC shall be appointed as the fiscal agent, principal paying and conversion agent, transfer agent, and registrar in respect of the Bonds, and to exercise the powers and undertake the duties conferred and imposed upon it by the terms and conditions of the Fiscal Agency Agreement and the Bonds.

Undertaking

The Company has, among other things, undertaken with Goldman Sachs that neither it nor any of its subsidiaries or other affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, for a period from the date of the Purchase Agreement to 90 days after the Closing Date, without prior written consent of Goldman Sachs, issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, including equity swaps, forward sales and options representing the right to receive any Shares (whether or not such contract is to be settled by delivery of Shares or such other securities, in cash or otherwise) save for Shares issued; (i) pursuant to the conversion provisions of the Bonds; or (ii) pursuant to obligations in existence at the date of the Purchase Agreement, which have been disclosed to the Stock Exchange and Goldman Sachs in writing.

The Company has undertaken with Goldman Sachs that it will procure Mr. Sun, who as at the date hereof holds directly 55.69% interest in the Shares of the Company to execute a lock-up agreement, whereby he, subject to the terms thereof, undertakes that neither he nor any entities over which he exercises management or voting control nor any pledgee of Shares beneficially owned by Mr. Sun, nor any person acting on his or their behalf will, without the prior written consent of Goldman Sachs issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal), any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Share, including equity swaps, forward sales and options representing the right to receive any Shares (whether or not such contract is to be settled by delivery of Shares or such other securities, in cash or otherwise) save for Shares issued pursuant to obligations in existence at the date of the lock-up agreement which have been disclosed to Goldman Sachs in writing on or before the date of the lock-up agreement provided that Mr. Sun shall not be prohibited from disposing of up to 7,500,000 Shares in aggregate for the purposes of an acquisition of a landed property in Hong Kong.

The Company has also undertaken with Goldman Sachs that it will procure each of the Guarantor Subsidiaries to execute the Guarantee, whereby subject to the terms thereof, it will unconditionally and irrevocably guarantee, on a joint and several basis, the due payment of all sums expressed to be payable by the Company under the Bonds.

Conditions Precedent of the Purchase Agreement

Completion of the Purchase Agreement is conditional upon, among other things:

- (i) the execution of the Fiscal Agency Agreement by the Company and HSBC in a form reasonably satisfactory to Goldman Sachs on or prior to the Closing Date;
- (ii) the Stock Exchange shall have agreed to list the Conversion Shares (or Goldman Sachs being reasonably satisfied that such listing will be granted);
- (iii) the delivery to Goldman Sachs of legal opinions from Bermuda, BVI and English counsels on or prior to the Closing Date;
- (iv) the execution of a lock-up agreement by Mr. Sun on or prior to the Closing Date; and
- (v) the execution of the Guarantee by the Guarantor Subsidiaries on or prior to the Closing Date.

Goldman Sachs may at its discretion waive compliance with the whole or any part of the above conditions.

Termination

Goldman Sachs may, by notice to the Company, which will take effect at the time of physical delivery or at the time of despatch if given by facsimile transmission, given at any time prior to payment of the net subscription monies for the Bonds to the Company, terminate the Purchase Agreement in any of the following circumstances:

- (i) if there shall have come to the notice of Goldman Sachs any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Purchase Agreement or any failure by the Company to perform any of its undertakings or agreements in the Purchase Agreement;
- (ii) if there shall have occurred any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls;
- (iii) if there shall have occurred a general moratorium on commercial banking activities in the PRC or the United Kingdom or United States or Hong Kong by any PRC, United Kingdom, New York State, United States Federal or Hong Kong authorities;
- (iv) if there shall have occurred an outbreak or escalation of hostilities or act of terrorism (which in the reasonable opinion of Goldman Sachs has an adverse effect on the purchase of the Bonds or the value of the Bonds or the Shares); or
- (v) if on or after the date of the Purchase Agreement there shall have occurred either of the following: (i) a suspension or material limitation of trading in securities generally on the New York Stock Exchange, the Nasdaq Stock Market, Inc., the London Stock Exchange plc or the Stock Exchange; or (ii) a suspension in trading in the Company's securities on the Stock Exchange (save in respect of any suspension in trading of the Shares on the Stock Exchange (a) for the purpose of clearing an announcement in respect of the issue of the Bonds pursuant to the Purchase Agreement; and (b) which in the Goldman Sachs' reasonable opinion is of a routine nature).

Subject to the foregoing, the Purchase Agreement is expected to be completed on the Closing Date. The Bonds are expected to be issued on the Closing Date.

Conversion

The initial conversion price at HK\$2.6550 per Share represents (i) a premium of 2% to volume weighted average price (VWAP) of the Shares quoted on the Stock Exchange on 25 January 2006; (ii) a premium of 0% to the closing price of the Shares on 25 January 2006 of HK\$2.65; (iii) a premium of 13% to the 5 day average closing price of the Shares over the 5 Trading Days up to and including 25 January 2006 of HK\$2.355; (iv) a premium of 17% to the 10 day average closing price of the Shares over the 10 Trading Days up to and including 25 January 2006 of HK\$2.2675; and (v) a premium of 20% to the 20 day average closing price of the Shares over the 20 Trading Days up to and including 25 January 2006 of HK\$2.2125.

The initial Conversion Price of HK\$2.6550 per Share is negotiated between the Company and Goldman Sachs on an arm's length basis and by reference to the 20 day average closing price of the Shares over the 20 Trading days up to and including 25 January 2006 of HK\$2.2125.

The Conversion Shares (representing approximately 14% of the enlarged issued share capital and approximately 17% of the existing issued share capital of the Company as at the date of this announcement) will be issued and allotted by the Company pursuant to the 20% general mandate granted to the Directors at the annual general meeting held on 5 October 2005. As of the date of this announcement, no Share has been issued under such general mandate since 5 October 2005.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

Company

China Green (Holdings) Limited, a company incorporated with limited liability in Bermuda, the shares of which are listed on the Stock Exchange.

Guarantors

Each Guarantor Subsidiary will unconditionally and irrevocably guarantee, on a joint and several basis, the due payment of all sums expressed to be payable by the Company under the Bonds.

Principal Amount

The aggregate principal amount of the Bonds will be HK\$325,000,000.

Issue Price

100% of the aggregate principal amount of the Bonds.

Consideration

Goldman Sachs shall pay to the Company in cash on the Closing Date the sum of HK\$312,812,500 (being the principal amount of the Bonds at an issue price of 100% less an initial purchase concession in the sum of HK\$12,187,500).

Net Proceeds

The estimated net proceeds of the Bonds Issue, after deduction of an initial purchase concession payable by the Company to Goldman Sachs in the sum of HK\$12,187,500 and other administrative expenses (amounting to approximately HK\$13 million in aggregate), are approximately HK\$312 million.

Interest

The Bonds bear interest from 26 January 2006 at the rate of 2.125% per annum of the principal amount of the Bonds. Interest is payable semi-annually in arrear on 26 January and 26 July in each year commencing 26 July 2006. Further, default interest at the rate of 3% per annum above HIBOR is payable if the Company fails to pay any sum in respect of the Bonds when the same becomes due and payable.

Conversion Period

Bondholder(s) will, subject to the Company's right to elect to pay converting Bondholders cash in lieu of Shares, have the right to convert their Bonds into Shares at any time during the period beginning on and after 6 February 2006 up to the close of business (at the place where the certificate evidencing such Bonds is deposited for conversion) on 19 January 2011 or, if such Bond shall have been called for redemption before the Maturity Date, then up to the close of business (at the place aforesaid) on the date no later than 7 business days (at the place aforesaid) prior to the date fixed for redemption thereof. The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted by the Conversion Price in effect at the date of Conversion.

In lieu of delivery of some or all of the Shares required to be delivered upon the valid exercise of a Conversion Right, the Company may elect to make a cash settlement payment in respect of all or any portion of a Bondholder's Bonds deposited for conversion. The amount of cash payable in HK dollar by the Company will equal to the Cash Settlement Amount.

Conversion Price

The Bonds will be convertible into Shares at an initial Conversion Price of HK\$2.6550. The Conversion Price will be subject to adjustment for, consolidation, subdivision or consolidation of Shares, issue of Shares by way of capitalization of profits or reserves, bonus issues, rights issues, distributions and other dilutive events of similar nature.

Ranking of Conversion Shares

Conversion Shares will rank pari passu in all respects with the Shares then in issue on the relevant date of registration of holders of such Shares on the register of members of the Company.

Transfer

The Bonds are transferable without restrictions.

Maturity

Unless previously redeemed, purchased and cancelled or converted, the Company will redeem each Bond at 123.8% of its principal amount on the Maturity Date.

Redemption at the Option of the Bondholders

On the Put Option Date, the holder of each Bond will have the right at such holder's option to require the Company to redeem all or some only of the Bonds of such holder on the Put Option Date at 108.7% for their principal amount together with accrued interest in accordance with the terms and conditions of the Bonds.

Redemption at the Option of the Company

On or at any time after 26 January 2008 and prior to the Maturity Date, the Company may, having given not less than 30 nor more than 60 days' notice to the Bondholders and the Principal Agent (which notice will be irrevocable), redeem the Bonds in whole or (if possible) in part at a redemption price equal to the Early Redemption Amount together with accrued interest in the event (i) the closing price of the Shares for each of the 30 consecutive Trading Days, the last day of which falls within the five Trading Days prior to the date upon which notice of such redemption is given to the Bondholders was at least 133% of the Conversion Price in effect on such Trading Date; or (ii) at least 90% in principal amount of the Bonds has already been converted, redeemed or purchased and cancelled.

Redemption for Taxation Reasons

At any time the Company may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Bonds at a redemption price equal to the Early Redemption Amount on the redemption date together with accrued interest to but excluding the redemption date if (i) the Company has or will become obliged to pay any additional amounts in respect of any payment by the Company under or in respect of the Bonds as a result of any change in, or amendment to, the laws or regulations of Bermuda or, as the case may be, Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 25 January 2006 and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption for such purposes, the Company shall deliver to the HSBC (a) a certificate signed by two directors of the Company stating that the obligation referred to in (i) above cannot be avoided by the Company taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective).

Redemption for Delisting or Change of Control or Merger

Each Bondholder shall have the right, at such Bondholder's option, to require the Company to redeem all or some only of such Bondholder's Bonds at their Early Redemption Amount upon (i) the Shares ceasing to be listed or admitted to trading on the Stock Exchange or, if applicable, the Alternate Stock Exchange; or (ii) the occurrence of a Change of Control with respect to the Company; or (iii) when there is a Merger.

Form of the Bonds and Denomination

The Bonds will be in registered form and in denominations of HK\$5,000,000 each or integral multiples thereof.

Ranking of the Bonds

The Bonds constitute direct, unsubordinated, unconditional and (subject to the terms and conditions of the Bonds) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds and of each Guarantor Subsidiary under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to the terms and conditions of the Bonds, at all times rank at least equally with all of their respective other present and future unsecured and unsubordinated obligations.

Listing

No application will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF CONVERSION

Based on the initial conversion price of HK\$2.6550 and assuming full conversion of the Bonds, the Bonds will be convertible into 122,410,546 Shares (subject to adjustment), representing approximately 17% of the issued share capital of the Company as at the date of this announcement and approximately 14% of the enlarged issued share capital of the Company.

The following table summarises the effects on the shareholding structure of the Company as a result of the Bonds Issue:

Name of Shareholder	Existing shareholding		Assuming full conversion of the Bonds at the Conversion Price	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
<u>Major shareholders</u>				
Capital Mate Limited ¹	405,123,000	55.69%	405,123,000	47.67%
<u>Public</u>				
Jayhawk China Fund (Cayman) Ltd ²	79,557,500	10.94%	79,557,500	9.36%
Value Partners Limited ³	58,116,000	7.99%	58,116,000	6.84%
Arisaig Greater China Fund Limited ⁴	41,064,000	5.64%	41,064,000	4.83%
Other Public holders	143,639,500	19.74%	143,639,500	16.90%
Sub-total	<u>322,377,000</u>	<u>44.31%</u>	<u>322,377,000</u>	<u>37.93%</u>
Bondholders	–	0.00%	122,410,546	14.40%
Total	<u>727,500,000</u>	<u>100.00%</u>	<u>849,910,546</u>	<u>100.00%</u>

Notes:

1. These 405,123,000 ordinary shares of the Company are held by Capital Mate Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Sun Shao Feng, the Chairman and Managing Director of the Company.
2. Mr. Kent C. McCarthy is deemed to be interested in these 79,557,500 ordinary shares of the Company which are held by Jayhawk China Fund (Cayman) Ltd., a company incorporated in the Cayman Islands and is controlled by Mr. Kent C. McCarthy.
3. Mr. Cheah Cheng Hye is deemed to be interest in these 58,116,000 ordinary shares of the Company which are held by Value Partners Limited, a company incorporated in British Virgin Islands and is controlled by Mr. Cheah Cheng Hye.
4. Arisaig Greater China Fund Limited (“AGCFL”) is a wholly-owned subsidiary of Arisaig Partners (Mauritius) Limited (“AP(M)”), which in turn is wholly-owned by Arisaig Partners (BVI) Ltd. (“AP(BVI)”). AP(BVI) is a wholly-owned subsidiary of Arisaig Partners (Holdings) Ltd. (“APHL”) of which 33.33% is held by Madeleine Ltd. (“Madeleine”). Madeleine is wholly-owned by Mr. Lindsay William Ernest Cooper. AP(M), AP(BVI), APHL, Madeleine and Mr. Lindsay William Ernest Cooper are deemed to be interested in 41,064,000 ordinary shares in the Company held AGCFL.

USE OF PROCEEDS

The estimated net proceeds of the Bond Issue, after deduction of an initial purchase concession payable by the Company to Goldman Sachs in the sum of HK\$12,187,500 and other administrative expenses (amounting to approximately HK\$13 million in aggregate), are approximately HK\$312 million. The Company intends to use the proceeds primarily for financing the expansion of the Group’s production capacity in the PRC.

Currently approximately HK\$280 million of the proceeds of the Bonds Issue is intended used to establish a new centralized processing centre in Fengxian county, Shanghai city in the PRC. The estimated cost for the establishment of the centralized processing plant in Fengxian county is RMB290 million (approximately HK\$280 million) of which RMB31 million (HK\$30 million) is for acquisition of land, RMB93 million (HK\$90 million) is for payment of construction and building costs, and RMB166 million (HK\$160 million) is for purchase of equipment and cost of installation. Approximately HK\$32 million of the proceeds is intended to be used for the Group’s general working capital purposes.

REASONS FOR AND BENEFITS OF THE BONDS ISSUE

The Bonds Issue will raise immediate funds for the Company which can be used for the purposes expanding its production capacity. The Company seeks to capitalize on the current interest rate environment and the current market environment for convertible bond issues to raise capital to facilitate further development and expansion of the Company. The Directors are of the view that the terms of the Bonds are fair and reasonable and are in the interest of the Group, and consider that the issue of the Bonds will provide the capital to facilitate the development and expansion of the Company and its investment in new project.

GENERAL

The Company will promptly notify the Stock Exchange if it becomes aware of any dealings in the Bonds by any connected person (as defined in the Listing Rules) of the Company.

Completion of the Purchase Agreement which is expected to take place on 26 January 2006, is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Purchase Agreement may be terminated under certain circumstances. Please refer to the paragraph headed “PURCHASE AGREEMENT” above for further information.

As the Purchase Agreement may or may not complete and, therefore the Bonds may or may not be issued and/or the Conversion Shares may or may not be listed on the Stock Exchange, Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

The Company has not raised any funds from any issue of equity securities in the last 12 months.

The Company is an investment holding company. Its subsidiaries are principally engaged in cultivating and processing fresh and processed vegetables and fruits in the PRC. Goldman Sachs is a global investment banking, securities and investment management firm which business includes securities underwriting.

To the best of the Directors' knowledge, information and belief, Goldman Sachs is a third party independent of the Company and is not a connected person (as defined in the Listing Rules) of the Company.

On 5 October 2005, the Company granted a general mandate to the Directors at its annual general meeting to allot and issue up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the annual general meeting. To date, there has been no issue of shares granted under the general mandate.

TERMS USED IN THIS ANNOUNCEMENT

“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.
“Board”	the board of directors of the Company
“Bondholder(s)”	holder(s) of the Bonds from time to time
“Bonds”	the HK\$325,000,000 in aggregate principal amount of 2.125% convertible bonds due on the Maturity Date convertible into the Shares of the Company
“Bonds Issue”	the subscription and issue of the Bonds with an initial aggregate principal amount of HK\$325,000,000 under the Purchase Agreement
“BVI”	the British Virgin Islands
“Cash Settlement Amount”	the product of, <ul style="list-style-type: none">(i) the number of Shares otherwise deliverable upon exercise of the Conversion Right in respect of the Bonds, and in respect of which the Company has elected the Cash Settlement Option; and(ii) the Volume Weighted Average Price of the Shares for the 10 Trading Days immediately following and excluding the Cash Settlement Notice Date
“Cash Settlement Option”	the option of the Company to pay a Bondholder the Cash Settlement Amount in order to satisfy the exercise of the Conversion Right in full or in part
“Change of Control”	occurs when, <ul style="list-style-type: none">(i) any Person or Persons acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Company on 25 January 2006;(ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Company's assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Company or the successor entity; or(iii) one or more Persons (other than any Person referred to in sub-paragraph (i) above) acquires the legal or beneficial ownership of all or substantially all of the Company's issued share capital; or(iv) Mr. Sun's shareholding (directly or indirectly) in the Company falling below 38% of the total issued and paid up Shares
“Closing Date”	the date (expected to be 26 January 2006) or such other date as the Company and Goldman Sachs may agree, on which the Bonds are issued
“Company”	China Green (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Control”	the right to appoint and/or remove all or the majority of the members of the Company's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Conversion Price”	the price per Share at which the Bonds may be converted into Shares which will initially be HK\$2.6550, and which will be adjusted from time to time in accordance with the terms and conditions of the Bonds
“Conversion Right”	the right of a Bondholder to convert any Bond into Shares
“Conversion Shares”	Shares to be allotted and issued by the Company upon conversion of the Bonds
“Directors”	directors of the Company
“Early Redemption Amount”	the price at which the Bonds may be redeemed under certain circumstances, and which will be determined, in accordance with the terms and conditions of the Bonds
“Fiscal Agency Agreement”	the fiscal agency agreement to be entered into between the Company and HSBC by which HSBC shall be appointed as the fiscal agent, principal paying and conversion agent, transfer agent and registrar in respect of the Bonds
“Goldman Sachs”	Goldman Sachs International

“Group”	the Company and its subsidiaries
“Guarantee”	the deed of guarantee to be entered into by the Guarantor Subsidiaries to unconditionally and irrevocably guarantee, on a joint and several basis, the due payment of all sums expressed to be payable by the company under the Bonds
“Guarantor Subsidiaries”	Icatrad Enterprises Limited, Green Harvest Enterprises Limited, Crop Harvest Enterprises Limited, Dragon Choice Enterprises Limited, Goldprosper Enterprises Limited and On Success Enterprises Limited, all of which are subsidiaries of the Company which are primarily investment holding companies that operate through subsidiaries. Each, a “Guarantor Subsidiary”
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date (expected to be on 26 January 2011), or such other date as the Company and Goldman Sachs may agree, on which the Bonds mature
“Merger”	the consummation of a merger, consolidation, amalgamation or transfer of the assets of the Group substantially as an entirety to any corporation or the conveyance or transfer of the Group’s properties and assets substantially as an entirety to any person
“Mr. Sun”	Mr. Sun Shao Feng
“Person”	includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Company’s directors or any other governing board and does not include the Company’s wholly-owned direct or indirect subsidiaries
“PRC”	People’s Republic of China
“Put Option Date”	26 January 2008
“Purchase Agreement”	a conditional purchase agreement entered into between the Company and Goldman Sachs on 25 January 2006 in connection with the issue by the Company of the Bonds in an aggregate principal amount of HK\$325,000,000
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trading Day”	a day on which the Stock Exchange is open for business
“United States or US”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“US Persons”	any persons or entities deemed to be a US person for purposes of Regulation S

By order of the Board
China Green (Holdings) Limited
Sun Shao Feng
Chairman

Hong Kong SAR, 25 January 2006

* *for identification purpose only*

As at the date of this notice, the directors of the Company are Mr. Sun Shao Feng, Mr. Leung Kwok Fai Ben Rich, Mr. Kung Sze Wai, Mr. Lin Chuan Bi, Mr. Hu Ji Rong and Mr. Zheng Bao Dong.

Please also refer to the published version of this announcement in The Standard.